REMARKS/ARGUMENTS

The claims have been amended by rewriting claims 5-10 and canceling claim 4. Claims 1-3 and 5-11 remain in the application.

Reconsideration of this application is respectfully requested.

The Examiner has objected to Claims 5-11 under 37 CFR 1.75(e) as being in improper form because of a multiple dependent claim 4. Applicants have cancelled claim 4 and amended claims 5-10 to depend from a single base claim, claim 1, thereby rendering moot these rejections. Applicants, therefore, request that the Examiner remove these rejections.

The Examiner has rejected Claims 1-4 under 35 USC 102(b) as being anticipated by Wong. Applicants traverse these rejections. To anticipate a claim, a reference must teach each element of the claim. M.P.E.P. 2131. Applicants submit that Wong does not anticipate Claim 1, as it fails to teach each limitation recited in Claim 1 and included by dependency in Claims 2, 3 and 5-11.

Wong teaches a method for compression by allocating bits to macroblocks (MBs), wherein the number of bits allocated is determined by reference to an encoded bit target and peak signal-to-noise ratio (PSNR) target. (Col. 3, lines 15-23). The method in Wong refers to single layer compression and Wong specifically states "the preferred embodiments limit look-ahead to *just within the picture*, that is, the encoder is allowed to process the MBs within a picture." (Col. 3, lines 63-65, emphasis added).

Wong does not anticipate Claim 1 as it fails to teach the limitation of "peak signal-to-noise ratios of bidirectionally predicted pictures in an enhancement layer are determined with reference to peak signal-to-noise ratios of pictures in *another layer*." The examiner cites lines 10 to 60 of column 6 as reading on Claim 1 of the present invention. Lines 10 to 60 of Wong refer to quantisation within a macroblock (MB) of B and P pictures in *single layer* video compression. The algorithm described by Wong calculates PSNR values of the reconstructed MBs, and allows requantisation of the MBs to enable lower PSNR blocks to use bits from higher PSNR blocks in order to harmonise the PSNR over the frame. This is aimed at providing consistency of PSNR within a video frame, without frame to frame reference. Whereas, Claim 1 of the

present invention specifically states that the bidirectional picture PSNR is determined with reference to the PSNR of pictures in another layer.

Accordingly, based on all of the above reasons Applicants believe that Claim 1 is in a condition for allowance. Claims 5-11 that depend from and include all of the limitations of Claim 1 are likewise in a condition for allowance for all of the same reasons.

Regarding Claim 2, Wong fails to anticipate this claim for similar reasons as Claim 1. Claim 2 includes the limitation of "the number of bits allocated to encode a bidirectionally predicted picture of an enhancement layer is determined with reference to the number of bits used to encode a picture of another layer." As argued above, Wong's compression method only deals with a single layer, and the language at col. 7, lines 1-39 cited by the Examiner fails to teach or suggest anything other than a single layer compression method.

Regarding Claim 3, Wong fails to anticipate this claim for similar reasons as Claims 1. Claim 3 includes the limitation of "temporal positions of predicted pictures in an enhancement layer are determined to be spaced evenly with reference to temporal positions of pictures in other layers." As argued above, Wong's compression method only deals with a single layer, and the language at col. 6, lines 1-26 cited by the Examiner fails to teach or suggest anything other than a single layer compression method.

No amendment made was related to the statutory requirements of patentability unless expressly stated herein. No amendment made was for the purpose of narrowing the scope of any claim, unless Applicant has argued herein that such amendment was made to distinguish over a particular reference or combination of references. Moreover, Applicants reserve the right in the future to make arguments not made herein.

The Applicants believe that the subject application, as amended, is in condition for allowance. Such action is earnestly solicited by the Applicants.

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In the event that the Examiner deems the present application non-allowable, it is requested that the Examiner telephone the Applicant's attorney or agent at the number indicated below so that the prosecution of the present case may be advanced by the clarification of any continuing rejection.

Respectfully submitted,

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Attachments